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Supreme Court, U.S.
FILED
NOV 14 2001
CLERK

No. 01-556

In the
Supreme Court of the United States

DANIEL S. DE CARLO,

Petitioner,

vs.

ARCHIE COMIC PUBLICATIONS, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

PETITIONER'S REPLY BRIEF

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Petitioner's Reply Brief

Respondent's brief attempts to limit the issues on appeal to "graphically depicted comic book characters." ("Question Presented," page i.) This twisting of the Complaint disregards the multiple allegations that Mr. DeCarlo created the characters themselves. The artist did not simply copy pictures of the characters out of a book. He invented them in his own imagination and then fully developed them in his mind's eye, giving them form and personality before he ever drew them on paper. The characters have resided in their creator's imagination to this day.

The graphic depictions Mr. DeCarlo made for Archie's comic books were all derivative of the original characters in Mr. DeCarlo's mind and memory, which were and are Mr. DeCarlo's sole invention and authorship and the subject of this litigation.

Here is the key language in the very first paragraph of the Complaint:

NATURE OF ACTION

> 1. This is an action to recover compensation due to plaintiff DeCarlo for defendant's use and licensing of his independent creation of the comic book characters known as "Josie," "Melody" and "Pepper," for purposes other than newsstand comic strips and comic books.

(JA-17).[1]

In the next section of the Complaint plaintiff explicitly states that:

> Compensation for the use of Mr. DeCarlo's independent creation of the comic book characters "Josie," "Melody" and "Pepper" is the central focus of this case.

(JA-18).

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[1] "JA" references are to the printed Joint Appendix filed with the Court of Appeals.

The Complaint then describes in detail the creative process which gave birth to these characters:

> 5. In or about the mid-1950's, Dan DeCarlo was employed on salary at Timely Comics (Marvel), drawing *Millie the Model, Sherry the Showgirl, My Friend Irma, Homer the Happy Ghost, My Girl Pearl* and *Big Boy Comics*, as well as many of Timely's covers. During this time, Dan DeCarlo began developing a new female teenage comic book character he would eventually call "Josie."
>
> 6. During this creative process, in or about 1957, DeCarlo's wife, also named "Josie," came home one day wearing her hair in a new style. Struck by her appearance, DeCarlo said "That's it," and the Josie comic book character's unique bouffant hairstyle was born. In further tribute to his wife, DeCarlo named his new creation for her. Later, her appearance in a costume as a spotted cat for a shipboard party during a vacation cruise, inspired Mr. DeCarlo's development of the Josie character's appearance as a "pussycat." Josie has since become widely known as a character and personality, with a large following, including several fan clubs.

(JA-18-19).

It will be seen that plaintiff's claim in this case is not based on the graphic depiction of the characters but rather on Josie's underlying "character and personality."

The New York Court of Appeals has stated that the creation of cartoon characters results in a property interest protected under state law under the following principle:

> Any civil right not unlawful in itself nor against public policy, that has acquired a pecuniary value, becomes a property right that is entitled to protection as such.

Fisher v. Star Co., 231 N.Y. 414, 132 N.E. 133, 137, *cert. den.* 257 U.S. 654 (1921).

The New York court went on to explain the public policy behind this property concept in a single sentence:

> No person should be permitted to pass off as his own the thoughts and works of another.

(132 N.E. 133 at 139).

The courts below dismissed this holding as mere *dicta*, and said it was limited to unfair competition claims. There is no logical reason why the *Fisher* holding it is not a sound legal precept that should be enforced by the courts today.

Plaintiff's Fear of Losing His Livelihood

Respondent also gives a partisan version of the facts concerning Mr. DeCarlo's silence while Archie repeatedly appropriated his characters for commercial exploitation — until the misappropriation eventually extended to a full-length feature motion picture producing a license fee in seven figures, precipitating this action. (*See* R. Br. pp. 4-5.) Respondent fails to mention the artist's dependence on Archie for his livelihood to support his family, and that his silence resulted from advice he received in the early 1970s from a cartoonist association attorney that if he sued Archie he would be "blackballed by the rest of the industry." (JA-389).

Comparison to Motion Picture Images

Respondent also asserts that, from the viewpoint of copyright analysis, live-action motion picture *depictions* of characters are legally different from comic book *depictions*. (R. Br. p. 12.) This is an artificial distinction. *Both depictions* are equally copyrightable.

The "difficulty" in the character area of intellectual property law remains unresolved — not merely in the Ninth Circuit, but nationwide. *See* L. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 Wisc. L. Rev. 429, 471 (1986). That is why this Court should grant certiorari to give clarity and certainty to an uncharted area of copyright law that presently confronts creative individuals who hope to have their ideas turn into successful income-generators. Without such

clarity in the law, creative artists can expect to face costly lawsuits with uncertain outcomes — as in this case. They also can expect to confront misappropriators represented by skillful lawyers, whose initial response to a creator's legal challenge will be to assert huge counterclaims[2] and to employ "scorched earth" litigation strategies.

Continuing Uncertainty

Respondent underscores the present uncertainty in this important area of the law by asserting that the "Sam Spade" case may be read as actually permitting third party appropriation of the author's characters. (R. Br. p. 16):

> *Warner Bros.* held that the literary character Sam Spade as delineated in *The Maltese Falcon* was not within the area of protection afforded by the copyright in the book. 216 F.2d at 950. However, it did not hold that the author had a property interest in the character under California law. Indeed, it has been suggested that, under *Warner Bros.*, the author of a literary character "is left free to use his character in new stories, but so is everyone else." Kurtz, 1986 Wis. Law Rev. at 455.

The opportunity to clarify these conflicting interpretations is at hand.

Plaintiff's State Law Claims

Respondent attempts to confine petitioner's claim below to a single cause of action for declaratory judgment. (R. Br. pp. 1, 2, 3, 4, 5, 7, 16, 17, 19, 24.) In truth, the complaint alleges *five* causes of action. The Second Cause of Action is explicitly for breach of contract (pars. 23 to 26) and is so captioned:

SECOND CAUSE OF ACTION

(Breach of Contract)

(JA-24).

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[2] At the outset of this case, Archie immediately counterclaimed for damages against Mr. DeCarlo (subsequently quantified at $6.5 million). (JA-62-66).

The remedies plaintiff seeks in this case are all common law remedies. The following is the *entire* prayer for relief as set forth in the Complaint:

> WHEREFORE, PLAINTIFF prays for judgment against the defendant as follows:
>
> 1. Declaring that plaintiff is the sole owner of the comic book characters Josie, Melody and Pepper, and has the exclusive right to use or license same for purposes other than comic strips and comic books, and enjoining defendant from damaging plaintiff's reputation as sole creator of Josie, Melody and Pepper, or causing losses of value in these unique creations, under the First Cause of Action;
>
> 2. Awarding damages to plaintiff for defendant's breach of contract in a sum to be proven at trial under the Second Cause of Action;
>
> 3. Awarding damages to plaintiff for defendant's breach of its covenant of good faith and fair dealing under the Third Cause of Action;
>
> 4. Awarding damages to plaintiff for defendant's breach of its fiduciary duty under the Fourth Cause of Action;
>
> 5. Directing defendant to account for all gains, profits, revenues and advantages derived by Archie Comics due and owing to plaintiff or which are derived from defendant's use or licensing third parties to use plaintiff's creations, and pay over same to plaintiff.
>
> 6. Granting such other, further and different relief as the Court deems just and proper under the circumstances.

(JA-31-33).

These requests are not magically converted into remedies created under the Copyright Act by the lower court's *ipsi dixit*. The plain language of the Complaint is not designed to obtain "a remedy expressly granted by the Act" — the touchstone for Federal preemption under *T.B. Harms v. Elisen*, 339 F.2d 823, 828 (2d Cir. 1964) (discussed in Respondent's Brief at

pages 17-24). The *Harms* case cannot be applied mechanically, as the District Court did. In *Harms*, the assumption was that a litigant explicitly seeking a remedy granted by the Copyright Act was in fact relying on the federal statute, not on a parallel doctrine of state law providing similar remedies. Here, the situation is just the opposite. Plaintiff has expressly chosen to rely on New York State law. Under the master of the complaint rule, this choice must be honored, notwithstanding any similarity in the remedies available under New York law and the federal copyright statute. Contrary to Respondent's assertion (R. Br. p. 20), the lower court's holding that original and removal jurisdiction are coextensive is irrelevant here. *Harms* does not support the court's optional exercise of jurisdiction over plaintiff's state law claims.

Plaintiffs have an absolute right to choose state law as the basis for their claims, and disregard possible federal law grounds. The essence of the master of the complaint rule is that this choice must be respected by the courts, even if it will ultimately lead to dismissal on the grounds of preemption or some other basis. In short, the right to choose includes the right to choose wrongly. Properly applied, the artful pleading doctrine is not inconsistent with this right to choose. It merely provides that a litigant who chooses to rely *on federal law* will be subject to removal, even if he has dressed up his complaint as a state law claim. Here, there is no doubt that plaintiff intended the reverse — to rely on state law, not disguised federal law, as the basis for his claim. Artful pleading therefore has no application here. (*Cf.* R. Br. p. 22.) The District Court simply disagreed with plaintiff's choice of legal theory and converted his state claim to a one based on federal law. This usurped plaintiff's right to choose the body of law upon which he would rely. Moreover, it denied plaintiff an additional right which inevitably flows from the right to choose — i.e., the right to have state courts pass on issues of state law. Plaintiff strongly believes that the District Court here misread New York law and that the outcome may well have been different if a state judge, more at home with the common law of New York, had reached the question first.

CONCLUSION

It is rare for an individual creative artist — a "little guy" — to have the opportunity to knock at the door of the United States Supreme Court seeking protection against the misappropriation of his original creative ideas. The present rare case allows the Court to clarify the law that should govern the protection of characters — literary, motion picture, and cartoon alike. That law is presently in disarray and needs to be addressed in a manner that will not discourage and suppress individual creativity.

Dated: New York, New York
November 6, 2001

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